



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Mr. Dennis Booth, Treasurer
Arizona Republican Party
3501 North 24th Street
Phoenix, AZ 85016

FEB 20 2002

Identification Number: C00008227

Reference: 12 Day Pre-Special Report (1/1/01-5/31/01)

Dear Mr. Booth:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-The outstanding balance of a debt owed to a creditor at the close of one report should be exactly the same as the outstanding balance beginning the period of the next report. This report shows a beginning outstanding balance(s) to "Strategic Telecom", "BSA Business Solutions", "Deans Mailing & List Services", "Qwest", "J & J Printing", and "Meyers Taber & Meyers", which are not identical to the ending outstanding balance(s) for the creditor(s) on the 2000 Year End Report. Please amend your report to clarify these discrepancies.

-On Schedule D of your previous report, you disclosed debts owed to "Americom Strategies" and "Jamestown Associates". These obligation(s), however, have been omitted from this report. Please amend your report to include these debt(s) on Schedule D and Line 10 of the Summary Page. All debts and obligations must be disclosed until extinguished. 11 CFR §104.11

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule B of your report to clarify the following description(s): "Operating Expenditure". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Payments made to credit card companies must identify in memo entries, the original vendors from which you have purchased an item or service if your payments to these vendors have exceeded \$200 this year. Please amend your report by providing the mailing address, date, amount and purpose of such payments as required by 11 CFR §104.9(b).

-Your report disclosed certain categories of financial activity that have been reflected on the wrong lines of the Detailed Summary Page. Contributions from other political action committees and other party committees should be properly disclosed on a separate Schedule(s) A's, supporting Line(s) 11(c) or 12 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-Your report disclosed a category of financial activity that has been reflected on the wrong line of the Detailed Summary Page. Contributions to candidates should be properly disclosed on a separate Schedule B, supporting Line 23 of the Detailed Summary Page. Please refer to the instructions contained on the forms to determine the proper categorization when preparing your next filing.

-A political committee that has established a federal account and a non-federal account must allocate between its federal and non-federal account all expenses for administrative costs, generic voter drives and fundraising programs or events. 11 CFR §106.6(b)(2)

Separate Segregated Funds and Nonconnected committees must report the estimated percentages of their direct federal and non-federal candidate support for a two-year election cycle by filing a Schedule H1. To calculate the allocation ratio for administrative and generic voter drive costs, nonconnected committees use the funds expended method. 11 CFR §106.6(c)(1)

Party committees must allocate any administrative expenses between the federal and non-federal accounts in proportion to the ballot composition method derived from FEC Schedule H1. 11 CFR §106.5

Schedule H2 is used by all political committees to report the allocation ratios of their joint federal and non-federal fundraising events and direct candidate support programs. Schedule H2 is filed with each report that discloses a disbursement for a shared activity. Schedule H3 is used by all

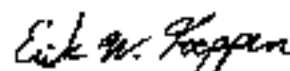
political committees to report transfers received by the federal account from the non-federal account(s) to pay the non-federal share of allocable expenses.

Any expenditures made on behalf of both federal and non-federal candidates (including in-kind contributions, independent expenditures and coordinated expenditures) must also be allocated between your committee's federal and non-federal accounts. Schedule H4 is used by all political committees to report payments for allocable expenses. 11 CFR §§106.1(a) and 106.5

Please clarify the procedures you are currently using to allocate shared activity. The Commission recommends that you take steps to correct any non-compliance with the regulations. Also, your committee should establish procedures to ensure future compliance with the allocation regulations.

A response or amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. Electronic filers must file amendments in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Erik W. Koeppen
Reports Analyst
Reports Analysis Division

